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# Duties of the Municipal Treasurer

A Guide for Municipalities in Ontario

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DUTIES OF A MUNICIPAL TREASURER

A Guide for Municipalities in Ontario


Model By-laws to:

- Provide for the duties, responsibilities and obligations of a municipal treasurer
- Appoint a municipal treasurer

Municipal Administration Branch  
Local Government Division

Ministry of Treasury,  
Economics and  
Intergovernmental Affairs

56 Wellesley St. West  
Toronto, Ontario  
M7A 1Y7



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## INTRODUCTION

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This guide is part of a series of management-information publications produced by the Municipal Administration Branch, Local Government Division, Ministry of Treasury, Economics and Intergovernmental Affairs.

The purpose of this publication is to provide model by-laws for the guidance of municipal councils and their appointed officials in developing or improving by-laws to:

- prescribe the duties, responsibilities and obligations of the municipal treasurer
- appoint the municipal treasurer

It has been prepared by the Branch in consultation with the Ministry's Field Officers, the Advisory Committee of Municipal Treasurers of the Association of Municipal Clerks and Treasurers of Ontario, the Ontario Municipal Administrators' Association, and a number of individual municipal treasurers.

Included in this publication are models of two by-laws - the first to prescribe the duties of the municipal treasurer and the second to appoint the treasurer. While all municipalities have by-laws appointing the treasurer, there is no model or standard material available that lends itself to ready adaptation in the variety of circumstances that exist.

Some municipalities have only an appointment by-law; some have a single by-law that incorporates the appointment and broad duties of the treasurer; and others have two by-laws, one that prescribes duties and responsibilities and one that appoints. It is not, of course, mandatory that two separate by-laws be enacted; the contents of the two could be combined into one. A review of existing by-laws has shown that practices vary considerably from municipality to municipality.

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Subject to opinion by the municipal solicitor, the model by-laws could be adopted verbatim, but municipalities will likely find them more useful as a guide in developing their own by-laws in keeping with their own local circumstances and management structures.

Both model by-laws have been produced in response to requests from municipal officials for assistance in this area.



## WHY HAVE TWO BY-LAWS?

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There appears to be a distinct advantage to having two separate by-laws -- one to prescribe duties and responsibilities and another to appoint a person as treasurer.

The duties by-law applies to the position and remains unchanged until the duties and responsibilities change.

A by-law of this nature can serve several important purposes. It can provide visible council support for the treasurer in the performance of his duties. It can serve to record council's expectations of the treasurer and to indicate the intended relationship of the treasury functions with those of the municipal operation as a whole. It can also serve as a recruitment device and a job description when hiring a new treasurer.

As there is no provision for the appointment of a treasurer in the duties by-law, it does not require amendment or repeal when a new appointment is made.

The appointment by-law is a mandatory requirement and must be enacted each time a new treasurer is appointed. This by-law would be confined strictly to appointment.

It is preferable, then, that both by-laws be passed. While the second is the only one required by statute, passing of the first helps make both council and administration more aware of the treasurer's function for the financial management of the municipality. Without this, there is always potential for misunderstanding over the extent or limitations of the responsibilities of either the council or the treasurer.



## THE ROLE, DUTIES AND RESPONSIBILITIES OF A TREASURER

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The treasurer's duties are similar throughout municipalities in Ontario, large or small, because the kinds of problems to be resolved are similar. They vary only in scope and complexity depending on the size of the municipality.

In all local governments, funds are required to provide services to the citizens. The treasurer's job is to relate the expressed desire or need for services to the financial capability of the community to provide them within the existing tax and revenue structure.

Provincial legislation requires the treasurer to perform certain functions concerning the receipt, disbursement and banking of money, as well as the preparation and submission of financial returns. By virtue of these statutes, the treasurer is the financial executive who is responsible for those functions that are classified under the general heading of "money management".

In addition, the treasurer is a key member of the administration and is expected to contribute much more than the efficient observance of relatively narrow statutory requirements or limitations. In fact, he is responsible for advising on all matters and questions affecting the finances of the municipal corporation.

The thread of finance runs through all affairs of the municipality, affecting policy-making and administrative practices at all levels. In one way or another, it is included in almost every action of council and its officials.

The finance department is an integral part of the total administration of the municipality. It assists in the achievement of the objectives of council and administrative departments while preserving the degree of independence necessary to provide an unbiased and factual presentation of financial data.



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The treasurer's responsibilities can be classified under two headings - primary duties and secondary responsibilities.

#### 1. PRIMARY DUTIES

Primary duties are those set forth in the Ontario statutes or in instructions from the Ministry of Treasury, Economics and Intergovernmental Affairs or the Ontario Municipal Board; in by-laws of the municipality and formal resolutions of its council; and in the technical requirements of the office whether or not they are spelled out in statutes, by-laws, resolutions, or other directives.

The primary duties that are expected of the treasurer, including those required by the Province under The Municipal Act, are:

- to receive and take charge of the money of the corporation, including the maintenance of accounts in one or more chartered banks or other approved places of deposit;
- to develop and maintain proper accounting records to provide an internal check on all revenue and expenditure;
- to assist the council (and board of control, or chief administrative officer) in preparing budget estimates and in the subsequent control over expenditures in relation to the current estimates and capital budget as subsequently approved;
- to maintain an up-to-date calendar showing dates to be observed in the payment of municipal money for various purposes and in the collection of money in taxes, rates, special charges, licences, etc;



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- to institute controls to ensure that money raised for any specific purpose is reserved for payment as intended;
  - to assure that all borrowing of money, temporary or otherwise, has been properly authorized beforehand;
  - to register municipal debentures in the registry book as required;
  - to pay debentures and interest coupons when due or called and to cancel and file them when paid;
  - to close the books for the year and prepare various statements in the form recommended by the Ministry of Treasury, Economics and Intergovernmental Affairs for inclusion in the audit showing the financial position of the municipality;
  - to prepare interim and additional year-end statements to further enlarge the available information on the financial affairs of the municipality;
  - to assist the municipal auditor in carrying out the audit;
  - to submit annual returns to the Ministry of Treasury, Economics and Intergovernmental Affairs and to other departments of the provincial government, as required.

## 2. SECONDARY RESPONSIBILITIES

Secondary Responsibilities are those further responsibilities that are implicit in the treasurer's expected relationships with the council and other bodies and individuals in authority.

As a senior official within an organization, the treasurer has responsibilities beyond what the law and the rules of accounting require.

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He or she is a key member of the administration who comes naturally into important and frequent relationships with:

- the elected council, both individually and in the course of council, board of control, and committee sessions;
- the chief administrative officer (where there is one);
- the heads of all other departments;
- members of local boards;
- senior officers serving the local boards;
- the municipal auditors;
- the public.

(A model by-law incorporating the duties and responsibilities of a municipal treasurer is attached as Appendix A.)



## APPOINTMENT BY-LAW

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The Municipal Act of the Revised Statutes of Ontario, 1970 stipulates that the council "shall appoint a treasurer". Similar provision is made under each of the separate acts establishing restructured local governments.

The appointment can take the form of a simple and short by-law that states:

- the person selected is appointed treasurer and shall hold office during the pleasure of council.
- in addition to duties to be carried out by law, the treasurer, subject to procedural, organizational and other requirements of council, shall advise council, manage the finance department and perform other duties assigned to him.
- the treasurer shall be paid a salary.
- any previous appointing by-laws are repealed.

(A model appointment by-law is attached as Appendix B.)

## THE CLERK-TREASURER

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The Municipal Act makes no provision for the appointment of a person who is both clerk and treasurer, usually referred to as a clerk-treasurer. Neither does it state that two different people must be appointed to these positions.

Usually, municipalities having a population of more than 10,000 people appoint both a clerk and a treasurer. However, according to the 1977 Municipal Directory, most municipalities of less than 10,000 people, and most counties, appoint one person to fill both positions.

There is no reason why the model by-laws cannot be used as a guide in appointing a clerk-treasurer.

The municipality would pass an appropriately worded by-law stating that \_\_\_\_\_ is appointed clerk and treasurer.

In dealing with the clerk-treasurer's duties and responsibilities, the municipality would pass two separate by-laws, one to provide for the clerk's part of the position's duties and responsibilities and the other to provide for the treasurer's part of the position's duties and responsibilities.

It is hoped that this publication will provide elected members and appointed officials with a better understanding of the treasurer's functions in local government today.

The model by-laws that follow may be used as a guide in appointing a new treasurer or in reviewing the adequacy of current by-laws.



APPENDIX A

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A SAMPLE DUTIES BY-LAW

BY-LAW NO. \_\_\_\_\_

of the

CORPORATION OF THE \_\_\_\_\_ OF \_\_\_\_\_ BEING  
A BY-LAW TO PROVIDE FOR THE DUTIES OF THE TREASURER (OR SUCH OTHER  
TITLE AS DETERMINED LOCALLY)

THE COUNCIL OF THE CORPORATION OF THE \_\_\_\_\_ OF  
\_\_\_\_\_ ENACTS AS FOLLOWS:

1. The incumbent of the office of Treasurer shall also be  
(if the Treasurer has an additional title insert here, otherwise  
this clause is not required).
2. The Treasurer shall be the chief financial officer of  
the Corporation and the head of the finance department and shall  
be responsible for advising Council\* in accordance with the  
procedural, organizational and other requirements of Council, on  
matters pertaining to the proper financial management of the  
municipality. The Treasurer may also provide financial advice or  
assistance to special-purpose bodies such as the Police Commission,  
Health Units and Committees of Adjustment, and so on.
3. The Treasurer shall carry out all duties imposed by the  
applicable Statutes and Regulations of Ontario.
4. As head of the finance department, the Treasurer shall  
be responsible for its management, organization and administration,  
including the development and training of department staff.
5. The Treasurer shall be responsible for the installation  
and operation of an accounting system faithfully and accurately  
setting forth, from day to day, a record of all money received by  
or disbursed on behalf of the Corporation and maintain an accurate  
record of all assets and liabilities and other accounting and  
financial transactions of the Corporation as required in accordance  
with accounting principles generally accepted for Ontario munici-  
palities. The Treasurer shall within his authority promote sound  
financial management practices that include a system of budgetary  
control and reporting, as well as proper internal financial controls.

\* Add the words "and the chief administrative officer" where  
there is a chief administrative officer system.

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6. The Treasurer shall be diligent in ensuring the prompt collection of all money due to the Corporation, including claims against other levels of government.

7. The Treasurer shall, subject to the procedural and other requirements of Council\*, administer and coordinate the preparation annually of the estimates for the financial operation of the municipality and shall be responsible for their submission to Council\*.

8. The Treasurer shall be custodian of all debentures and securities of the Corporation and shall keep all such debentures and securities in locked safety-deposit boxes in a security deposit vault and only such officials of the finance department as shall be designated by the Treasurer shall have access to such boxes.

9. The Treasurer shall, where applicable, set up and maintain, or cause to be maintained, the proper necessary books and registers for the purpose of recording the debenture debt of the Corporation and all changes therein, including the floatation of new issues and the retirement and redemption of the maturing issues, both as regards principal and interest or of any nature whatsoever. Such books and registers shall also set forth the provisions to be made with the bankers and agents of the Corporation, both in Canada and elsewhere, for the meeting of all principal and interest as these become due. The Treasurer shall also give special attention to the maintenance of the sinking funds and the punctual and full appropriation and investment of all money necessary to the said maintenance. The Treasurer shall recommend to the Council on the investment and the administration of sinking funds, and shall see that the provisions of the statutes respecting such investments are duly complied with.\*\*

10. The Treasurer shall, in addition to his obligations under section 222 of The Municipal Act, present to Council annually a statement of the assets, liabilities, revenues and expenditures of the Corporation and may, and if required by Council shall, present a statement periodically containing similar information and may also present any special report that, in the Treasurer's opinion, should be presented for the information of Council.

11. The Treasurer shall cause to be published a financial report of the municipality for each fiscal year, in accordance with the Statutes of Ontario.

\* *Add the words "and the chief administrative officer" where there is a chief administrative officer system.*

\*\* *When sinking fund debentures are issued by a Regional Municipality it would be necessary to provide for the relevant duties of the Treasurer in connection with the Sinking Fund Committee.*





## Assistance For Municipalities

The Local Government Division of the Ministry of Treasury, Economics and Intergovernmental Affairs (T.E.I.A.) maintains these field offices that are available to assist Ontario municipalities.

### OTTAWA

244 Rideau Street  
Ottawa, Ontario  
K1N 5Y3  
(613) 232-9446

### SUDBURY

1349 Lasalle Boulevard  
Sudbury, Ontario  
P3A 1Z2  
(705) 566-0901

### THUNDER BAY

435 James Street South  
P.O. Box 5000  
Thunder Bay, Ontario  
P7C 5G6  
(807) 475-1621

### LONDON

495 Richmond Street  
London, Ontario  
N6A 5A9  
(519) 438-7255

### ORILLIA

15B Matchedash Street North  
Orillia, Ontario  
L3V 4T4  
(705) 352-6144

Additional copies of this publication may be obtained through the Government Book Store, 880 Bay Street, Toronto, Ontario M7A 1N8, for \$1.00 each.



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	<u>Title</u>	<u>Price</u>
1.	<u>Developing a Municipal Code</u>	\$1.00
2.	<u>Getting More for Consulting Dollars</u>	\$3.00
3.	<u>Local Government Management Project</u>	
a)	Project Overview Statement	\$1.00
b)	Goals for Dallas - "A" -	\$2.00
c)	Goals for Dallas - "B" -	\$2.00
d)	Developments in the Management of Local Government - a Review and Annotated Bibliography	\$2.00
e)	The LGMP Experience: Phase I - Assessing Readiness for Organizational Change in Local Government	\$2.00
f)	The LGMP Experience: Guidelines for Organizational Change in Local Government	\$4.50
4.	<u>Managers for Local Government</u>	
a)	Report #1 - The Issues	No charge
b)	Report #2 - The Design	No charge
c)	Report #3 - The Data Base	No charge
d)	Discussion Paper #1    The Need for Manpower Planning	No charge
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